

# **ATTAWAPISKAT FIRST NATION**

P.O. Box 248  
Attawapiskat, Ontario P0L 1A0

January 5, 2012

The Honorable John Duncan, PC, MP  
Aboriginal Affairs and Northern Development  
Ottawa, Ontario  
K1A 0H4

Dear Minister Duncan:

Thank you for your letter dated January 4, 2012 received by fax today. I and my Council also wish to extend the best of the New Year to you and your staff.

Regarding the retrofit to the Atco trailers and the healing lodge progress is being made slowly as we were confronted with the Christmas and New Year's holiday period as well as operational issues regarding boilers and heat etc. This is why the facility is only partially occupied. This is to be expected when we have a Healing Lodge since 1998 and do not have and cannot secure ongoing operational funding to keep the facility in decent shape.

A meeting this morning with my staff, and project manager Doug Scott of De Beers Canada, I wish to advise you that schedules and budgets are still being compiled with the assistance of our Project Manager which will be submitted for review for finalization, review and approval.

Some technical issues still need to be resolved and I am confident that a full budget for review, approval and funding for the First Nation is close at hand. Our First Nation staff eagerly awaits the discussions with your staff and funding to begin proceeding with the project.

Additional expertise is always welcome but off hand I am not sure what type of expertise you would be referring to, as we have been offered the assistance of an international mining group and another group of concerned Canadians called OVERT to assist us with our needs for these mobile trailers. In the event that we cannot solve some of the technical issues, I would certainly revisit your offer. Your Thunder Bay staff are most welcome to visit my community in relation to this project, and other activities. and I understand that the week of the 16<sup>th</sup> is available in which a review can take place to resolve any installation plans. I wish to advise you that your appointed Third party manager nor any staffs from his office are not welcome in our community.

As you well know, we take exception to your decision to invoke Third Party and we will continue follow through with our legal proceedings. I had thought you intended to revise the scope of the TPM to focus on the housing emergency, based upon our discussions held in Thunder Bay on December 15, 2010. But rather judging from your letter and the TPM request for information, that the old divide and conquer rule is put in place. I am assuming that he will sit in Winnipeg and do payroll for all AFN staff here as well control all purchasing and payments to vendors. Our trade debt to vendors is under control as a result of our internal reviews undertaken and is part of the Management Action Plan your staff approved. That is a far cry from focusing on the housing emergency. Typical Third Party control is firstly doing the First Nations payroll, and then decimates their finance and administration staff in due course with no consultation with Council. Not to mention what this intervention will have on our organizational structure. All this rhetoric about the least disruption and short a term as possible is all politics. Let me state to you clearly, that this First Nation and the majority of most northern First Nations should have been put in Third Party years ago on the basis of "Health and Safety."

For example the soil contamination in this community caused when your Department was running the Indian Day School in 1977, a problem that was conveniently ignored by your Department until recently, but we have lived with the environmental legacy for some thirty five years. The state of the housing stock of our community was assessed as early as 1992 when B.H. Martin conducted comprehensive housing report which produced a study of when stacked upon each other would reach some four feet in height, a report which detailed the deplorable state of our housing stock at that time, this report is somewhere in the archives of Ontario region., and the continuous water problems that your department and staff have known about for years with very little accomplished. We have recently submitted a 20 year capital plan detailing the growth needs of our community, some of which are immediate if we wish to have progress in providing housing to our ever growing population. Will this collect dust too? We wish to advise you that we have followed the policies of AANDC in relation to develop the numerous Capital Works initiatives for our community. Why are we being treated differently than other Canadian Societies and why do you think a Third Party Manager can resolve the existing Housing Crisis when your government cannot make a commitment to resolve issues that you have known about for over 30 years? Will your Third Party Manager resolve the needs as outlined in our 20 year capital plan approved by my Council and submitted to your department staff? Typical Third Party actions to subdue and take away local autonomy.

For the record, in the space of 16 months my Council in consultation with our present Co-Manager, my First Nation come from the brink of bankruptcy, changed our administration, implemented a series of new policies and have developed a strategy to manage our debt, as well as submitted a Management Action Plan, that was accepted by your Department, and is currently being implemented. We have regained the respect of the Financial Institutions we work with daily and those of our creditors. It is a review process undertaken in any business environment to improve performance and rectify deficiencies. We have one internal review pending implementation. We even have discussions to consolidate our total debt with a financial institution that would see us clear of Co Management and allow my First Nation to refine our operations, and to become more effectively organized to take on the challenges to my Traditional Lands

caused by exploitation of developments in the Ring of Fire. These accomplishments only come with visibility and trust of someone you work with on a daily basis. Your answer, a \$20,000 a month Third Party Manager to issue payroll cheques! Your policies that we are smothered under do not allow any latitude in resolving business and financial issues without you holding our hand and saying it's ok you can do that.

Your Prime Minister accused our First Nation of mismanaging funds and made remarks in the House that are untrue and have caused irreparable damage within our membership, the people of Ontario and Canada. From the outset and prior to the politics of late, our First Nation was fully open to a comprehensive audit, and would welcome what results would be provided. We had requested a forensic audit, however your Department elected for a comprehensive audit instead. I am pleased to confirm that your appointed audit staff can attend our community the week of the 16<sup>th</sup> of January and our current Co Manager will be the individual who has and will be working with your staff to ensure they have access to the appropriate information they require to conduct the comprehensive audit. My Council and I welcome the results of the audit and are open to any discussions resulting there from. I say this in advance for the fear that you may use the results to smear us before the public eye without any consultation from the audit results.

Why should my First Nation be paying \$1,300 a day for some firm to issue payroll cheques for my First Nation with our all ready limited Band Support Funding, if the supposed purpose was for the Third Party Manager to attend to the housing crisis. What is the intended role with my current Administration and staff? I would have thought a much wiser use of the skill would be to work in an up front cooperative fashion with our Council and address the real issues. We feel that your decision was a knee jerk reaction to the questions posed to yourself in Question Period and debates in the House of Commons. You can rescind your Third Party decision but are you to little of a person to utilize other terminology and acknowledge that this was a reactionary measure done with haste?

I can see from your press release that you are trying portray your Department, and your appointed agent BDO as the savior of my community and that your Third party manager is ready to issue cheques. You accuse the First Nation of not providing all the personal employee data necessary for the Third Party manager to take over the complete payroll function and as stated previously, who will then move on to decimate our administrative structures, and eliminate the local capacity for which we have so long worked to develop. We do not need a high priced manager to issue cheques because we are capable of issuing cheques and managing our business affairs. You seem to miss the fact that your staff themselves has commended our First Nation on significant business changes accomplished as a result normal business internal review over the past 16 months. We have requested and are open and committed to the comprehensive audit, this is in addition to the fact that we have completed yearly audits which have been accepted by your Department, and in fact my First Nation was a full year ahead of meeting the new audit submission requirements of your Department. Tell me where the trust is? You apparent tactic in withholding our normal operational funding is a means of forcing us to be compliant and be silent on the discrepancies that exist in my First Nation due to shortfalls in your Departments policies. Can you not see that my Council and staff are open and committed to working through this with your regional staff?

So we have clarity rather than beating around the bush. I would ask that you direct your third party manager to respond to the following from my correspondence to him January 1, 2012 and his email reply dated January 4, 2012, alternately you can provide details on what direction has been given to him from your office. MY REQUEST WAS PLAIN AND SIMPLE –RELEASE OUR JANUARY OPERATIONAL FUNDING OF \$1.5

My Council has reviewed the response from your Third Party manager (BDO) and we seek clarification from you on the following:

1. “BDO to provide all the requirements contractually and jointly with myself and Council” and “proceed with existing staffing”. Can you schematically depict and narrate how you will interact with Administrators, Co-Manager, Finance staff, Social Services staff, Housing staff, Education staff, Economic development staff and Public Works staff. Depict how First Nation AANDC funding will be jointly managed and flowed. Depict how payrolls and social assistance payments are to be executed and delivered. Depict how services are to be procured and vendors paid Allowing Programs and priorities to be established with minimal disruption, while retaining the sovereignty of the Chief and Council to fulfill the mandate given by its membership.
2. Clarify the statement of BDO “that we facilitate processing payrolls”, do you mean the FN staff producing payrolls and social assistance under you approval or do you intend to undertake these functions through BDO?
3. Regarding the modular homes, our staff from the outset has been undertaking the majority of the work load in procurement analysis and budgeting and quotation process relating to the installation of the modular homes when delivered to Attawapiskat. Can you depict how materials and labor costs for our work crews are going to be cash flowed? It is difficult to initiate FN work crews if budgets are not agreed to and approved and funding provided to pay for these services. Therefore, elaborate and depict how approvals and cash flow will be managed involving FN work crews and staff.

Subsequent to your arrival (BDO) and letter from the Ontario RDG of December 5, 2011 outlining your duties; the Minister at our meeting of December 15, 2011 in Thunder Bay stated that the scope of the TPM would be limited to the Housing crisis and that all other AANDC programs would operate in a normal manner with existing staff.

Your Third Party Manager’s email for transitional information Dated December 6 and 12, 2011 prior to the Minister’s meeting with us indicates otherwise.

You have stated that you have a new and improved 3<sup>rd</sup> party intervention policy, one that we never received or discussed with this First Nation and one that your office just put online on the internet during Christmas.

Mr. Duncan many decisions have been made in haste. I empathize with the embarrassment you have suffered in the House. The issues for my First Nation and all other Remote First Nations are similar. The Government of Canada has repeatedly ignored the real issues and for those who choose to speak out is penalized with a Third

Party instrument to quell and silence us, is not the way to handle this item which will affect my First Nation for generations to come.

Release our operational funding and have your staff and you come visit us. We are not leaving town, we are not going anywhere, my People have been here since the Voyages of Discovery conducted by the Company of Adventures trading into Hudson's Bay. . My council is all about doing the right things in a sensible and sound manner utilizing business advice and efficient practices.

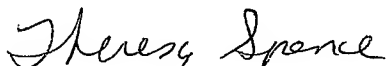
The monies invested in my community benefit not only my community, but also the greater economy of Canada, and Ontario. Witness the recent purchase of trailers, benefited the economies of New Brunswick, Quebec, and Ontario.

We have learned from our mistakes of the past, previous Co-Managers were here on a transitory basis, fly in on Monday afternoon, and fly out again on Thursday afternoon, returning again to my community after a weeks absence. Under these circumstances, it was difficult for our staff to gain capacity through the services provided by the Co-Manager, and it was difficult for the Co-Manager to learn of the concerns and true conditions of our community, a perspective obtained from a motel room.

It was with these factors in mind, that the Chief and Council decided to seek a more rooted presence of a Co-Manager in this community, and that we have done.

What else are you expecting, we have examined our history, past administrations, prioritized, and implemented procedures to retain the proper staff in order to ensure the long term viability of my community. We have also implement a process to ensure that we become further self sufficient, but yet all these plans are being placed in jeopardy through the imposition of a Third Party Manager, who is accountable to the Minister of Aboriginal Affairs alone, we want a person accountable to my Council, and ultimately my community. That we have, but now you have taken that away.

Best regards,

A handwritten signature in cursive script, reading "Theresa Spence". The ink is dark and the handwriting is fluid.

Chief Theresa Spence